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Grain Transportation Situation

United States
Department of
Agriculture

Office of
Transportation

Washington, D.C.
20250

October 6, 1986

ORIGINAL



ILA Contract Extended. The International Longshoremen's Association (ILA) leadership agreed to a 45-day extension of the master contract that had expired September 30 sending ILA members to the picket line. Union leaders ordered members back to work in eight Atlantic coast ports that were being struck by the union.

Trackage Rights for DRGW. The Santa Fe-Southern Pacific rail merger will get support from the Denver & Rio Grande Western Railroad (DRGW) in exchange for trackage rights between Utah and Portland, Oregon, between the San Francisco Bay area, and points in the San Joaquin Valley in California. This would amount to an additional 2,000 miles of track added to the current 2,400-mile system already operated by the DRGW. The Southern Pacific Corporation has hopes that this move will help alleviate any anti-competitive or monopolistic fears shippers and other rail carriers may have concerning the merger.

Conrail Sale. The sale of Conrail could be slowed considerably because of a job protection clause the Interstate Commerce Commission routinely attaches to sale proceedings. Recently, however, though the Commission has refused to impose these restrictions causing criticism from labor groups. Even though the House and Senate agree about the public sale they differ on a provision of the House bill that would provide railroad workers financial assistance who would lose their jobs due to the sale. House and Senate conferees recessed September 30 without an agreement on the matter.

Soviets Sign Grain Agreement With Canada. The Soviet Union entered into a 5-year agreement with Canada calling for total sales of 25 million tons of grain. The agreement will run from August 1, 1986, to July 31, 1991. Last month the Soviets declined to purchase from the United States 3.85 million tons of subsidized U.S. wheat.

River Situation. At Locks and Dam 26, during the previous 24 hours, no tows passed upbound and 2 tows with 19 barges downbound. This morning there are 2 tows waiting upbound and 3 down. Due to high water Locks 12, 13, 16, 17, 18, 20, 21, 22, 24, 25, 26, and 27 will be temporarily closed to barge traffic. The U.S. Coast Guard said that Lock 25 will be open for emergency only. Also the new Lock and Dam 26 construction site will be temporarily closed. The Army Corps of Engineers also reported that water crested this morning at Lock 24, located at Clarksville, Missouri. At the Gulf on Thursday, 991 barges were waiting to unload grains, oilseeds, and products, of that amount 431 were in the New Orleans area. The total of empty barges on hand was 647, which includes 251 in the New Orleans Harbor. At the Gulf in the New Orleans/Baton Rouge areas last Friday, 8 vessels were reported loading grain, while 24 waited. In the Columbia River Basin, also on Friday, 7 vessels were at berth being loaded, while 5 waited.

NOTE: Last week's report concerning the strike at Thunder Bay made reference to the absence of cleaning facilities at Minneapolis/St. Paul. It should have read "The only problem with moving through Minneapolis/St. Paul is the lack of cleaning facilities in the lower Mississippi River. We regret this error."

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RAILS VS. BARGES IN GRAIN TRANSPORTATION

Year	RAILROADS		BARGES		RAIL-BARGE TOTALS	
	Volume Moved (Bil. Bu.)	Weekly Avg. (Mil. Bu.)	Volume Moved (Bil. Bu.)	Weekly Avg. (Mil. Bu.)	Rail Share	Barge Share
1974	4.210	81.0	1.030	19.8	80.8	19.7
1975	4.065	78.2	1.196	23.0	77.3	22.7
1976	4.100	78.8	1.612	31.0	71.8	28.2
1977	3.911	75.2	1.524	29.3	72.0	28.0
1978	4.125	79.3	1.628	31.3	71.7	28.3
1979	4.410	84.8	1.622	31.2	73.1	26.9
1980	5.004	96.2	1.908	36.7	72.4	27.6
1981	4.378	84.2	1.986	38.2	68.8	31.2
1982	4.223	81.2	2.180	41.9	66.0	34.0
1983	4.724	89.1	2.113	39.9	69.1	30.9
1984	4.808	92.5	1.971	37.9	70.9	29.1
1985	3.994	76.8	1.674	32.2	70.5	29.5

Sources: Railroads -- AAR Operations and Maintenance Department, Transportation Division;
Barges -- USDA Marketing Service reports as carried in USDA's Agricultural
Outlook magazine



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GRAIN TRANSPORTATION

WEEK
ENDED

1986

COMPARABLE WEEK
1985

INSPECTIONS FOR EXPORT (1,000 Bushels)

Sep 4	43,997*	41,427
Sep 11	47,716	53,656
Sep 18	59,150	52,675
Sep 25	73,835	53,683
Calendar Year to Date	2,042,742	2,456,489

RAIL CARLOADINGS

Sep 6	20,789	15,841
Sep 13	28,288	19,946
Sep 20	30,179	19,046
Sep 27	28,661	20,509
Calendar Year to Date	882,537*	849,153

*Revised

RAIL DELIVERIES TO PORTS (Carloads)

	<u>North</u> <u>Atlantic</u>	<u>So. Atlantic</u> <u>& Gulf</u>	<u>Pacific</u> <u>Coast</u>	<u>North</u> <u>Atlantic</u>	<u>So. Atlantic</u> <u>& Gulf</u>	<u>Pacific</u> <u>Coast</u>
Sep 3	117	1,788	2,142	238	1,311	1,832
Sep 10	68	2,908	2,727	546	1,526	2,379
Sep 17	458	3,422	2,476	733	1,706	741
Sep 24	501	5,159	2,644	709	2,365	1,108
CY to Date	29,491	110,910	68,558	48,660	113,807	100,469

AVERAGE GRAIN PRICES (\$ Per Bushel)

	<u>WHEAT</u>	<u>CORN</u> ^{1/}	<u>SOYBEANS</u> ^{2/}	<u>WHEAT</u>	<u>CORN</u> ^{1/}	<u>SOYBEANS</u> ^{2/}
Aug 22	2.46	1.68	4.66	3.07	2.64	5.14
Aug 29	2.40	1.57	4.68	3.01	2.61	5.15
Sep 5	2.54	1.52	4.73	3.07	2.63	5.16
Sep 12	2.52	1.49	4.70	3.09	2.50	5.09
Sep 19	2.53	1.45	4.73	3.06	2.40	5.17

(Wheat-#1 HRW - ORD., Kansas City; Corn #2 Yellow, Chicago; SB-#1 Yellow, Chicago)

1/ Bought to arrive 15 days.
2/ Bought to arrive 30 days.

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MAJOR EXPORT SALES*
(1,000 Metric Tons)

<u>WEEK ENDED</u>		<u>1986</u>			<u>1985</u>		
		<u>WHEAT</u>	<u>CORN</u>	<u>SOYBEANS</u>	<u>WHEAT</u>	<u>CORN</u>	<u>SOYBEANS</u>
Aug	28	4,984	5,706	3,441	3,812	6,646	1,805
Sep	4	4,988	6,309	3,604	3,799	6,665	2,177
Sep	11	4,643	6,547	3,971	3,888	6,750	2,446
Sep	18	4,452	6,728	4,107	4,560	7,431	2,647
Sep	25	4,221	6,912	4,270	4,496	8,223	2,907

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

		<u>IN PORT</u>	<u>LOADED 7 DAYS</u>	<u>DUE NEXT 10 DAYS</u>	<u>IN PORT</u>	<u>LOADED 7 DAYS</u>	<u>DUE NEXT 10 DAYS</u>
Sep	5	22	32	59	35	35	67
Sep	12	40	34	62	44	34	78
Sep	19	46	43	84	43	48	76
Sep	26	48	61	68	47	57	60
Oct	3	50	64	51	30	51	61

COVERED HOPPER CAR OWNERSHIP
(1,000 Cars)

		<u>RAILROADS COVERED HOPPER**</u>	<u>PRIVATE COVERED HOPPER**</u>	<u>RAILROADS COVERED HOPPER**</u>	<u>PRIVATE COVERED HOPPER**</u>
May	1	122.3	112.9	123.2	115.7
Jun	1	121.6	112.0	123.2	114.3
Jul	1	121.0	112.3	123.3	114.3
Aug	1	121.3	112.8	123.8	115.3
Sep	1	121.7	113.8	123.3	115.2

**Jumbo Covered Hoppers Only

OCEAN FREIGHT RATES*
(Dollars/Ton - Basis Vessel Size/Ton)

<u>U.S. Loading Port</u>	<u>Destination</u>	<u>Estimated Freight Rates</u>	<u>Dates of Movement</u>
Gulf	Japan	\$12.25-\$10.00(52M)	Oct-Dec
Gulf	Rotterdam/Antwerp	\$7.60-\$7.20(60M-54M)	October
	Hamburg		
Gulf	Taiwan	\$14.75-\$11.80(25M-33M)	Oct-Dec
Great Lakes	Rotterdam/Antwerp	\$16.00-\$14.50(15M-17M)	October
	Hamburg		
Pacific Northwest	Japan	\$7.35(52M)	November
Gulf	Venezuela	\$12.00(8M)	October
Atlantic	Japan	\$12.50(50M)	October

*These ocean fixtures are based on full ship charters.

This report is prepared by Bill Dunton & Martha Bearer, Traffic Management Specialists, Domestic Division, Office of Transportation, 202/447-6793.

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